

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES

March 9, 2021

11:04 a.m.

MEMBERS PRESENT

Representative Geran Tarr, Chair
Representative Louise Stutes
Representative Jonathan Kreiss-Tomkins
Representative Andi Story
Representative Dan Ortiz
Representative Sarah Vance
Representative Kevin McCabe

MEMBERS ABSENT

All members present.

COMMITTEE CALENDAR

HOUSE BILL NO. 80

"An Act establishing the sport fishing hatchery facilities account; establishing the sport fishing facility surcharge; and providing for an effective date."

- MOVED CSHB 80(FSH) OUT OF COMMITTEE

HOUSE BILL NO. 115

"An Act relating to aquatic farming and hatchery site leases; and requiring the director of the division of lands to provide the legislature with an annual report relating to aquatic farming and hatchery site leases."

- MOVED HB 115 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 80

SHORT TITLE: SPT FSH HATCHERY FACIL ACCT; SURCHARGE

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	FSH, FIN
02/23/21	(H)	FSH AT 10:00 AM GRUENBERG 120
02/23/21	(H)	Heard & Held
02/23/21	(H)	MINUTE(FSH)

02/25/21	(H)	FSH AT 10:00 AM GRUENBERG 120
02/25/21	(H)	-- MEETING CANCELED --
03/02/21	(H)	FSH AT 10:00 AM GRUENBERG 120
03/02/21	(H)	Heard & Held
03/02/21	(H)	MINUTE(FSH)
03/04/21	(H)	FSH AT 11:00 AM GRUENBERG 120
03/04/21	(H)	Heard & Held
03/04/21	(H)	MINUTE(FSH)
03/09/21	(H)	FSH AT 11:00 AM GRUENBERG 120

BILL: HB 115

SHORT TITLE: AQUATIC FARMING & HATCHERY SITE LEASES

SPONSOR(s): STORY

02/24/21	(H)	READ THE FIRST TIME - REFERRALS
02/24/21	(H)	FSH, RES
03/04/21	(H)	FSH AT 11:00 AM GRUENBERG 120
03/04/21	(H)	Heard & Held
03/04/21	(H)	MINUTE(FSH)
03/09/21	(H)	FSH AT 11:00 AM GRUENBERG 120

WITNESS REGISTER

DOUGLAS VINCENT-LANG, Commissioner
Alaska Department of Fish and Game
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 80.

ACTION NARRATIVE

[11:04:44 AM](#)

CHAIR GERAN TARR called the House Special Committee on Fisheries meeting to order at 11:04 a.m. Representatives Story, Ortiz, Vance, McCabe, Stutes, Kreiss-Tompkins, and Tarr were present at the call to order.

REPRESENTATIVE ORTIZ moved that Representative Stutes be elected as vice chair of the House Special Committee on Fisheries. There being no objection, it was so ordered.

HB 80-SPT FSH HATCHERY FACIL ACCT; SURCHARGE

[11:06:42 AM](#)

REPRESENTATIVE TARR announced that the first order of business would be HOUSE BILL NO. 80, "An Act establishing the sport fishing hatchery facilities account; establishing the sport fishing facility surcharge; and providing for an effective date."

[At the House Special Committee on Fisheries meeting on 3/4/21, an amendment referred to as Amendment 1 was never offered; the first amendment offered and adopted on 3/4/21 was Amendment 2.]

[11:07:21 AM](#)

REPRESENTATIVE VANCE moved Amendment 3, labeled 32-GH1609\A.6, Bullard, 3/5/21, which read as follows:

Page 1, line 1:
Delete "**hatchery facilities**"
Insert "**enhancement**"

Page 1, line 2:
Delete "**facility**"
Insert "**enhancement**"

Page 1, line 5:
Delete "facility"
Insert "enhancement"

Page 1, line 7:
Delete "hatchery facilities"
Insert "enhancement"

Page 1, lines 7 - 10:
Delete "Money in the sport fishing hatchery facilities account shall be allocated to ongoing maintenance and operation of the department's sport fish hatchery facilities and sport fishing stock enhancement intended to directly benefit license purchasers."

Insert "The department shall allocate money in the enhancement account to programs intended to directly benefit license purchasers as follows:

(1) \$2.50 of each surcharge collected to fisheries management, fisheries research, invasive species suppression and eradication, habitat restoration, and ongoing maintenance of the department's sport fishing facilities and sport fishing hatchery facilities; and

(2) the remainder of each surcharge collected to sport fishing stock enhancement and ongoing maintenance of the department's sport fishing hatchery facilities."

Page 2, line 11:

Delete "facility"

Insert "enhancement"

Page 2, lines 12 - 13:

Delete "ongoing maintenance and operation of the department's fish hatchery facilities and sport fishing stock enhancement"

Insert "enhancement of sport fisheries"

Page 2, line 19:

Delete "facility"

Insert "enhancement"

CHAIR TARR objected for the purposes of discussion.

REPRESENTATIVE VANCE explained that the purpose of Amendment 3 would be to allow flexibility to both maintain the fishery and the maintenance and operations of [hatchery] facilities.

[11:08:30 AM](#)

REPRESENTATIVE ORTIZ asked for an explanation on the impact of the proposed amendment on how the resources have been used in the past and how they may be used in the future, should this amendment be adopted [and HB 80 pass as amended].

REPRESENTATIVE VANCE explained that, with the adoption of Amendment 2 [adopted at the March 4, 2021, House Special Committee on Fisheries meeting], the surcharge had been increased to \$6.50. She explained that under Amendment 3, \$2.50 of each surcharge would be ["collected to fisheries management, fisheries research, invasive species suppression and eradication, habitat restoration, and ongoing maintenance of the department's sport fishing facilities and sport fishing hatchery facilities"]; the remaining \$4.00 would be ["collected to sport fishing stock enhancement and ongoing maintenance of the department's sport fishing hatchery facilities"].

[11:09:37 AM](#)

REPRESENTATIVE ORTIZ sought to clarify that the proposed Amendment (3) would ensure that funds would be used for hatchery maintenance as well as other [program] areas.

REPRESENTATIVE VANCE confirmed this as correct and added that funds would be used within the Sportfish Division of Alaska Department of Fish & Game (ADF&G).

[11:10:06 AM](#)

REPRESENTATIVE ORTIZ asked whether the fee had been lowered, and the lowering of the fee to \$2.50 would result in lower [available] resources overall.

REPRESENTATIVE VANCE answered that the entire proposed assessment would be \$6.50. Without the proposed amendment, the full fee would be designated for [enhancement and hatchery] maintenance; Amendment 3 would provide that \$2.50 be designated to the previously listed enhancements.

[11:11:22 AM](#)

REPRESENTATIVE ORTIZ asked whether the amendment had been at the request of the department or any other [interested party].

REPRESENTATIVE VANCE answered no, Amendment 3 had been conceived to include language that had been included in the bill the previous year prior to COVID-19.

[11:12:07 AM](#)

REPRESENTATIVE STUTES offered additional explanation that a previous version of the bill had proposed a total fee of \$9.00 which had been reduced to \$6.50, and the proposed amendment provides for \$2.50 of that fee to be designated for other [sportfish division] activities. She added that the amendment would provide flexibility for how the department may spend the funds.

[11:13:13 AM](#)

REPRESENTATIVE ORTIZ sought to clarify that, under the proposed amendment, the full fees would not be available for maintenance and operations of hatcheries.

REPRESENTATIVE STUTES answered yes, and no. She explained that the bonds [for which the fees had been previously collected] had

been paid off and the result of Amendment 3 would be that more funds would be available for both the hatchery maintenance and operations as well as other program activities, and she characterized it as a "win-win".

[11:14:29 AM](#)

REPRESENTATIVE STORY stated that it was her intention to support the original intent of the bill, which had included both the maintenance and operations of hatcheries and enhancement of fisheries. She stated her understanding that the fees had been increased from the original bill as requested by the governor and asked whether Amendment 3 would restore the full fee [as proposed in previous versions of the bill].

[11:15:19 AM](#)

DOUGLAS VINCENT-LANG, Commissioner, Alaska Department of Fish and Game, answered that, during the preparation of [HB 80], the costs had been taken into consideration for both hatchery maintenance and operations as well as enhancement of Southeast fisheries. He stated his understanding that the increase resulting the adoption of Amendment 2 would be used for additional fisheries management activities that may be requested. He stated that he had not had discussions with the governor about the use of the additional funds.

[11:16:44 AM](#)

REPRESENTATIVE STORY asked what the implications would be should a future committee reamend the bill and reduce the fee by \$2.50.

COMMISSIONER VINCENT-LANG answered that the result of a reduction would be a draw [from other sources] since the \$4.00 fee alone would not be adequate to fund the maintenance costs and proposed enhancement activities.

[11:17:47 AM](#)

REPRESENTATIVE MCCABE stated that another bill would be considered pertaining to invasive species mitigation that had a fiscal note. He asked whether the \$2.50 proposed under Amendment 3 would be sufficient to cover the fiscal note [with the other bill]. He allowed that the question may be " a little off topic" [of HB 80].

COMMISSIONER VINCENT-LANG stated that the bill to which Representative McCabe had referred would establish an invasive species council and he estimated the associate fiscal note for that to be between \$70,000 to \$80,000. He suggested that it could be possible to use the \$2.50for the [proposed] council.

[11:19:16 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked whether the \$6.50 surcharge would be adequate to cover costs of maintenance and operations of hatcheries in addition to additional activities such as invasive species management.

COMMISSIONER VINCENT-LANG answered that hatchery operations and maintenance would be adequately funded with the proposed fee but cautioned he could not state with certainty that the funds would be adequate to fully fund all the programs, only that there would be funds to initially address some needs. He suggested the example of habitat restoration as a program that could fully consume the additional available funding over the next five to six years.

REPRESENTATIVE KREISS-TOMKINS stated his support for Amendment 3. He observed there were two versions of Amendment 3 in the committee packet, one with the second and third line of page 2 of the amendment crossed out and the other with no lines crossed out. He asked to confirm the correct version of the amendment under consideration among the paperwork before him.

[11:21:30 AM](#)

REPRESENTATIVE TARR stated that Representative Vance would offer a conceptual amendment to provide additional clarification of the amendment being considered.

[11:21:38 AM](#)

REPRESENTATIVE VANCE stated that, immediately prior to the meeting, it had been discovered there exists duplicative language in the bill.

REPRESENTATIVE VANCE moved to adopt Conceptual Amendment 1 to Amendment 3: on page 2, line 1 following "habitat restoration", to delete the comma and insert a period, and to delete lines 2 and 3 [as numbered in Amendment 3].

[11:22:10 AM](#)

REPRESENTATIVE TARR objected for the purposes of discussion, then removed her objection. There being no further objection, Conceptual Amendment 1 to Amendment 3 was adopted.

[11:22:44 AM](#)

REPRESENTATIVE TARR offered Conceptual Amendment 2 to Amendment 3 [as amended] to delete the words "suppression and eradication" on line 1 [as numbered in the amendment] and replace them with the word "management" at the suggestion of the department regarding invasive species.

[11:23:15 AM](#)

REPRESENTATIVE VANCE objected for the purposes of discussion. She drew attention to page 1, line 23, of Amendment 3, as amended, which read: "\$2.50 of each surcharge collected to fisheries management", to demonstrate the word "management" was included.

[11:23:28 AM](#)

CHAIR TARR referenced the words "suppression" and "eradication" specifically regarding invasive species management and expressed that, according to the department, "management" would allow for maximum flexibility in addressing invasive species.

REPRESENTATIVE VANCE removed her objection. There being no further objection, Conceptual Amendment 2 to Amendment 3 was adopted.

[11:24:19 AM](#)

REPRESENTATIVE STORY stated her support for the Amendment 3, as amended, and stated her concern that, should the fee be reduced by future potential amendments, the original intent of the bill would be at risk. She asked members to keep that in mind [for future consideration of the bill].

[11:25:21 AM](#)

REPRESENTATIVE TARR expressed her pleasure that the department representatives were present for the discussion and that they would be involved in future hearings of the bill and could advocate that the original intent be maintained.

[11:25:36 AM](#)

REPRESENTATIVE STUTES stated that the proposed language had been included in previous versions of the bill and that the amounts had not changed during consideration of the bill. She expressed her confidence that the full fee would remain intact, especially considering the "hit" caused by the [COVID-19] pandemic, it would further encourage [legislators] to maintain the amount as proposed throughout future consideration of the bill.

[11:26:33 AM](#)

REPRESENTATIVE VANCE stated that she had been in contact with Legislative Legal Services and was confident with their answer suggesting that the language as proposed was adequate to ensure that the \$2.50 would remain, and for that language to be at risk, the bill would have to be [rewritten to reverse it].

[11:27:53 AM](#)

REPRESENTATIVE KREISS-TOMKINS echoed the concern raised by Representative Story and stated that his support for the bill would be on the condition that the underlying intent remain.

[11:28:27 AM](#)

REPRESENTATIVE ORTIZ echoed comments made by Representative Story and asked whether the sponsor of Amendment 3, as amended, would consider an additional conceptual amendment to include some assurance to maintain the intent of the bill.

REPRESENTATIVE VANCE agreed to follow the will of the committee to consider such a conceptual amendment.

REPRESENTATIVE ORTIZ stated that his individual viewpoint may or may not reflect the will of the committee.

[11:29:24 AM](#)

The committee took a brief at-ease.

[11:30:20 AM](#)

REPRESENTATIVE TARR stated that during the at-ease, it had been discussed that the language, since it remained intact in previous versions of the bill, would likely go forth with the original intent of the bill intact. She encouraged the

department to follow the legislation closely and monitor that the original intent should remain.

11:30:48 AM

REPRESENTATIVE TARR asked if the commissioner had a comment to add to the discussion.

COMMISSIONER VINCENT-LANG stated his understanding that, should [Amendment 2, adopted on 3/4/21] remain [unchanged] during future consideration of the bill, the original intent would remain.

11:31:26 AM

REPRESENTATIVE TARR removed her objection to the motion to adopt Amendment 3, as amended. There being no further objection, Amendment 3, as amended, was adopted.

11:31:51 AM

REPRESENTATIVE KREISS-TOMKINS moved to adopt Amendment 4, labeled as GH-1609\A.8, Bullard, 3/8/21, which read as follows:

Page 1, line 2, following "**surcharge**";:

Insert "**relating to the power of the commissioner of fish and game to adopt certain regulations**";

Page 1, line 11, through page 2, line 7:

Delete all material.

Renumber the following bill sections accordingly.

Page 2, following line 31:

Insert a new bill section to read:

"* **Sec. 3.** AS 16.05.340(i) is repealed."

Renumber the following bill section accordingly.

REPRESENTATIVE TARR objected for the purposes of discussion.

REPRESENTATIVE KREISS-TOMKINS stated that the proposed amendment pertained to the discretion of the commissioner related to the relationship between Alaska and Yukon [Territory] for reciprocity of resident license fees. He asked if the commissioner could provide cost benefit data.

[11:33:07 AM](#)

COMMISSIONER VINCENT-LANG answered that between 2017 and 2019 the average number of licenses was estimated to be 2,300 and \$65,000 in revenue. He added that, in 2020, the license number totaled eight. He stated that he had learned of considerable public opposition [to the proposed Amendment 4], especially from the community of Haines, which experienced economic benefit from the reciprocity and its resulting tourism.

REPRESENTATIVE KREISS-TOMKINS withdrew his motion to adopt Amendment 4.

[11:34:26 AM](#)

REPRESENTATIVE TARR added that the department had submitted information specific to Representative Kreiss-Tomkins line of questioning and it had been included in the committee packet.

[11:34:36 AM](#)

REPRESENTATIVE VANCE stated that she had initially had concerns with lost revenue from the reciprocity agreement and, after discussions with Representative Hannan, the apparent "lost revenue" in fact resulted in an economic benefit with a multiplier effect in the economies of the communities of Haines and Skagway. She asked whether the department could share its understanding of the economic impact and return on investment in those communities.

COMMISSIONER VINCENT-LANG stated that, while no economic analysis had been conducted on the matter, he was confident that the \$67,000 in apparent losses was "more than made up for" in economic benefits.

[11:36:13 AM](#)

REPRESENTATIVE VANCE asked what benefit might exist for Alaskans on the Yukon side of the state-to-state agreement and added that there existed some "heartburn" due to recent travel restrictions.

COMMISSIONER VINCENT-LANG answered that Alaskans benefit from resident hunting and fishing license fees in Yukon. He recalled that the inception of the program had occurred under [former Governor Frank] Murkowski and had been proposed by Alaska to Yukon Territory as a way to establish a good-neighbor policy.

He allowed that there exist some difficulties with travel under COVID-19 imposed restrictions, although he suggested that the longer-term viewpoint was more of a diplomatic one than an economic one, considering the long border shared between Yukon and Alaska.

[11:38:01 AM](#)

REPRESENTATIVE VANCE stated that the last page of the bill contained an effective date of July 1, 2020 and asked whether the committee wished to consider a more immediate effective date upon passage of the bill.

[11:38:43 AM](#)

REPRESENTATIVE TARR asked the commissioner to confirm the expiration date [of the program] as January 1, 2021, and whether there would be a resulting "void" between [the effective date] July 1, 2020, and January 1, 2021.

COMMISSIONER VINCENT-LANG stated that the implementation of the surcharge would most likely occur at the beginning of the next calendar year to align with the license year. He allowed that the result would include a year of [lost revenue] but that the enhancement payment had already taken place for that year.

[11:39:41 AM](#)

REPRESENTATIVE MCCABE expressed his concern that Southeast Alaska enhancement had been discussed twice [during the hearing of HB 80] and asked whether the fee would be used to cover anything in addition to fixing the cement raceway at the Crystal Lake facility.

[11:40:19 AM](#)

COMMISSIONER VINCENT-LANG stated that the surcharge as it existed had funded repayment of bonds, and approximately a half million dollars had been designated to Southeast Alaska. He added that a portion of the fees were paid by Southeast fishermen and expressed his hope to use some of the funds for deferred maintenance on the Crystal Lake facility, which the state owns.

[11:41:18 AM](#)

The committee took an at-ease from 11:41 a.m. to 11:45 a.m.

[11:45:20 AM](#)

REPRESENTATIVE STUTES moved to report HB 80, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 80(FSH) was reported out of the House Special Committee on Fisheries.

CHAIR TARR stated that the House Special Committee on Fisheries would grant Legislative Legal and Research Services the authority to make technical and conforming changes to CSHB 80(FSH).

HB 115-AQUATIC FARMING & HATCHERY SITE LEASES

[11:46:09 AM](#)

CHAIR TARR announced that the final order of business would be HOUSE BILL NO. 115, "An Act relating to aquatic farming and hatchery site leases; and requiring the director of the division of lands to provide the legislature with an annual report relating to aquatic farming and hatchery site leases."

[11:46:26 AM](#)

REPRESENTATIVE STORY stated that the bill pertains to expediting the leasing process. She stated that, should HB 115 pass and become law, the expedited lease process would remain optional; the commissioner could still require an applicant to undergo the full lengthy process; the public would continue to have an opportunity to contact the Department of Natural Resources (DNR) with any complaints at any time; and the department would still be required to issue public notice of an approved renewal which includes a 30-day appeal window.

[11:47:56 AM](#)

CHAIR TARR opened public testimony on HB 115. After ascertaining that there was no one who wished to testify, she closed public testimony.

[11:50:15 AM](#)

The committee took an at-ease from 11:50 a.m. to 11:51 a.m.

[11:51:40 AM](#)

REPRESENTATIVE STUTES moved to report HB 115 out of committee with individual recommendations and the accompanying fiscal note. There being no objection, HB 115 was reported out of House Special Committee on Fisheries.

[11:53:39 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:53 a.m.